



DULUTH AIRPORT AUTHORITY

Duluth Airport Authority Meeting Minutes October 21, 2025

MEETING LOCATION: Amatuzio Conference Room, Duluth International Airport

DIRECTORS PRESENT: Michael Henderson, President
Jason Crawford, Vice President
Elissa Hansen, Secretary
Sandy Hoff
Briana Johnson (left at 9:57 a.m.)
Kevin O'Brien

OTHERS PRESENT: Tom Werner, DAA Executive Director
Ryan Welch, DAA Dir. of Operations, Planning, and Construction
Jana Kayser, DAA Dir. of Business Development
Joelle Bodin, DAA Dir. of Finance and Administration
Natalie Baker, DAA Dir. of Communications and Marketing
Tristan Durfee, DAA Airside Manager
Jenny Delnay, DAA Finance Technician
Aimee Bone, DAA Administrative Coordinator
Derek Anderson, DAA Airport Maintenance
Matt Johnson, DAA Airport Maintenance
Joe Uhlhorn, H&U
Rob Missinne, Monaco Air Duluth
Adinda Van Espen, SEH
Barry Sinex

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:
Kathy Leon, DAA Senior Staff Accountant
Ian Young, Duluth City Attorney
Horeya Czaplewski, EXP
Paul Huston, HNTB
Shawn McMahon, SEH
Kaci Nowicki, SEH

CALL TO ORDER: Dir. Henderson called the DAA board meeting to order at 8:00 a.m.

Dir. Henderson invited Mr. Tom Werner to provide the Executive Director's Review

I. *EXECUTIVE DIRECTOR'S REVIEW

- A. **Air Service:** Mr. Werner provided an update on the current air service with a presentation.
- Year-to-date enplanements are up 11%, Delta up 5%, and United down 13 % compared to 2024. September enplanements were down 6% compared to same month last year.



DULUTH AIRPORT AUTHORITY

- Load factors remain strong; Delta running over 90% loads and United in the high 80s.
- Delta capacity is up 1% compared to September 2024 and United is down 18%. Year-to-date, Delta is up 16% and United is down 3%.
- Mr. Werner also shared total passenger and capacity comparisons between 2019 and 2025 and exhibited a good position for incremental growth for 2025 with Delta and United numbers.
- National Air Industry Updates: Breeze Airways has a goal to reach a fleet of 400 aircraft over the next couple of years, and this is promising for DLH as possibilities of a western route carrier continue to be explored.
- Mr. Werner also shared that Sun Country has suspended their DLH to Fort Myers seasonal route for winter 2026 to focus on their Amazon growth contract for cargo utilization and will revisit the seasonal route for next year (winter 2027).

B. Operations/Construction/Planning: Mr. Welch provided the following updates:

- Planning:
 - New Air Traffic Control Tower (ATCT) Update:
 - Mr. Welch opened the discussion by noting that several project partners were in attendance to continue updates on the ATCT project. Mr. Uhlhorn recapped the phasing options previously discussed, explaining that three updated scenarios were under consideration: the original phased plan, a revised phased plan reflecting current funding, and a fully funded, unphased construction option. Ms. Czaplewski presented a detailed breakdown showing that the revised phased approach would cost approximately \$69 million, with Phase One estimated at \$60 million to include the complete base building, tower foundations and enclosure, MEP rough-ins, site work, and cabling infrastructure, and Phase Two at \$8.8 million to complete MEP systems, finishes, testing, and TRACON equipment. In comparison, a single-phase, continuous construction option would total about \$66.7 million—saving \$2.5 to \$5 million and reducing schedule and rework risks. She also reviewed funding allocations totaling \$54.6 million, comprised of roughly 68% federal (\$37 million), 14% state (through IJJA, MnDOT, and the State Transportation Bill), and 18% local contributions.
 - Ms. Czaplewski outlined potential risks for each approach. Under phased construction, if funding for later stages did not materialize, the project could be left with an incomplete or unusable structure and potential loss or repayment of FAA funds. The unphased option reduced construction and escalation risks but required securing an \$11 million funding gap by spring 2027 to maintain schedule continuity. Ms. Bodin then presented a gap funding analysis, sharing that the city agreed to raise the DAA's line of credit from \$2 million to \$10 million—pending city council and board approval—to provide short-term financing until FAA and state grants are finalized. She also discussed General Obligation Bond scenarios that could cover any remaining funding needs within two years, while noting that existing debts like the parking ramp loan (paid off in 2027) and the LSC loan (through 2030) would affect debt capacity.
 - Board members and DAA senior staff discussed project timing, funding uncertainties due to the federal government shutdown, and the potential for other projects—such as airfield shoulder replacement—to be paused if funding delays occurred. Dir. Hoff inquired about the board voting on the single-phase design direction today after hearing all phasing



DULUTH AIRPORT AUTHORITY

comparisons and potential risks. Mr. Werner emphasized that today's meeting was intended to inform the board as they consider phasing options to vote on for continuing design and exploring funding paths in November, and that the financial decisions would come in February after more funding clarity. Dir. Hoff expressed support for moving toward a one-phase approach and asked for staff recommendations ahead of the November board meeting, when a phasing resolution was expected. The project team noted that the design process is currently on hold and urged that timely direction from the board is critical to avoid costly redesigns and keep the project on track for a potential April 2026 construction start. The board expressed interest in creating an amendment and resolution to vote on tower project phasing during today's meeting instead of waiting until November, and it was reiterated that no funding or financial pieces would be determined until the February 2026 board meeting. Today's decision would be to keep the tower project design and phasing plans moving forward based on data that was presented.

- **Construction:**
 - DLH Fuel System Replacement: Mr. Welch shared that the current fuel system is more than twenty years old and a grant has been secured from MnDOT for a new one. Mr. Welch is working with SEH on a design for the new system and anticipates presenting a work order from SEH to the board at the November meeting.
 - Taxiway A Phase 5:
 - Construction is ongoing with finishing touches, target opening date is October 31st. The weekly construction meetings are ending, finishing up markings, hanging up lights, and focused on getting the taxiway opened.
 - Customs and Border Protection Federal Inspection Services Construction Update: Mr. Welch reiterated that the punch list is complete, locks have been rekeyed, and the space has been turned over to CBP.
 - DYT Fuel System Replacement: Mr. Welch shared that Sky Harbor also received the MnDOT grant for the aging system replacement, and he is working with SEH on design for a new fuel system at Sky Harbor and expects to have a work order for the board in November.
- **Operations:**
 - DAA Airside Manager: Mr. Welch shared that the Sky Harbor manager position was posted yesterday and will be open for two weeks.

C. Business/Property Development: Ms. Kayser provided an update on the following:

- **LifeLink III Project Update:** Ms. Kayser shared construction started on the hangar on September 12th, and the schedule has been shuffled around a bit due to the delay in the building permit. Currently the construction team is focused on utility installation, city inspection for the water main, foundation wall, and preparation for the hangar floor slab. The project schedule has been extended for a couple of months and LifeLink has been very pleased with the progress.
- **Annual Hangar Inspections:** The inspections of the general aviation tenants were completed last month; they are inspected annually for compliance and Ms. Kayser shared that this was the best inspection that she has had to date. Ms. Kayser shared that there are a few housekeeping items to follow up on, but overall, the hangars are in compliance.



- Director Hoff complimented Ms. Kayser and the inspection team on their diligence in getting the tenant hangars' compliance into this shape.
- TNC Agreement: The TNC (transportation network company) pertains to rideshare companies such as Uber and Lyft and their agreements expire this month. Ms. Kayser has been in touch with the entities and there has been discussion on how to increase revenue for the airport, increase service volume and options for passengers (as well as considering the loss of taxis in the area and the need for transportation), and an improvement in customer service.

D. Financial Update: Ms. Bodin provided an update on the following:

- Stormwater Update: Ms. Bodin met with Mr. Kirsch to examine arrangements and find a solution that is wholly compliant with the city and compare airports in similar geographic settings and evaluating findings. There will be details to follow at a future meeting.
- State Bond Request: Ms. Bodin updated the state bonding request for 2026, and the only changes are acknowledging the additional federal funding that DLH received and updating the wordage to reflect leveraging the remaining amount needed from FAA funding.
- 2026 Budget/Rates and Charges Schedule: Ms. Bodin shared draft rates for both Sky Harbor and DLH.
 - Sky Harbor: Ms. Bodin shared that there is a 3% adjustment to the smallest airplane size rate, and the rates are similar to other surveyed data with airports and pricing for hangar space for aircraft based on size, as well as seasonal pricing for summer months versus winter months versus the current single year-round rate that added a utility surcharge month during winter months. With the new seasonal rates, the utility surcharge will no longer be intact. The new rates also include an added conference room rental rate, as well as overnight vehicle parking updated to mimic the tiedown overnight rate to pay for the space that is being utilized. The rates and charges for both DYT and DLH will be presented to the board to vote on at the November board meeting.
 - DLH: Ms. Bodin shared that DLH has 10% adjustment on the airline lease premises, based on what other airports are charging for their per square foot rate, 6% on landing fee, and non-signatory landing rates are adjusted and are 125% of what the signatory rates are. Other service such as charter or diversion pay non-signatory rates. Rental cars increase of 3%, all rates adjusted based on CPI adjustment and comparing rates in survey and research with other airports. Fuel flowage fee increase of \$.09, hangars increased with CPI adjustment as well. Parking rates for surface and parking ramp are the same since they were increased the previous year, and commercial parking rates are being updated to reflect the new commercial vehicle policy, with projected pick-up and drop-off fees to increase to \$2.50 from the current rate of \$1.50. The DAA is also considering after-hours rates for the DLH conference room rentals to accommodate staff staying late to oversee the rental. Additional items that Ms. Bodin mentioned include minor adjustments to badging fees and exploring airport security policy/plan violation fees in the event that they are sanctioned fees so that the responsible party is held accountable to pay for them.
 - Dir. Hoff asked what the CPI rate is and Ms. Bodin shared that about 3%, but there are other rates and charges models that reflect FAA standards, and revenues to offset airline operating costs as well as discretionary rates.



- Draft 2026 Annual Budget: Ms. Bodin said she thanked the DAA staff for their hard work on the budget at the week's staff meeting, and she compared what was budgeted for 2025 and 2026, and it was only a 2% increase from year to year. There are several areas where the DAA has been overperforming and some expenses that have remained flat (for example, security RFP came in at same rate with no increase) or minimal increase from year to year. Several projects have been built into the budget. Airline negotiations are currently underway, and Ms. Bodin has incorporated some of the rates and charges rates into the negotiations. There are items that are subject to change between now and when the board votes on it in November.

E. Marketing/Communications: Ms. Baker shared the following updates:

- Programmatic Campaign: This project started in October and will run through March and targets individuals who live in the Duluth area but primarily use MSP. This is the third campaign done but the second retargeting campaign, using information from prior reporting to inform placements for this campaign and will continue to the campaign's performance. Ms. Baker then shared the new commercial for DLH.
- Bond Tour: Ms. Baker shared that DAA staff assisted in the House Capital Investment Committee tour, and it had been several years since the committee was at DLH to tour the tower. The tour went well, and the committee also visited a few different facilities in the Duluth region for different "asks" and the DAA was invited to speak about the need for a new tower at a dinner at UMD.
- Global Entry Event: Ms. Baker shared that more than 75 of the available 100 spots were filled, and she was pleased with the participation and outcome, and received solid feedback from attendees.
- Commercial Vehicle Policy: Ms. Baker shared that the updated commercial vehicle policy is almost ready to be implemented and has been working with city attorney Mr. Ian Young to discuss enforcement. An administrative citation was determined to be the best approach. Ms. Baker is finalizing some details with Mr. Young. Once that is resolved, the policy will be implemented.
 - Dir. O'Brien asked if there are ways to reach out to the local population to let them know that it's much more reasonable to fly out of DLH than it was a couple of years ago, especially when considering the cost of gas for driving and parking at MSP. Ms. Baker confirmed that there are several approaches, especially with paid social media platforms and a cost comparison calculator on the DLH website. Also focusing on "always check local first" messaging and communication tools that can be easily updated and swapped out as needed to reflect updates.

F. Legislative Update: Mr. Werner provided an update on the following:

- ATCT Funding Advocacy: Mr. Werner shared that Ms. Baker did a fantastic job of briefing the house capital committee on the tower project while they were here and thanked her for representing the DAA.
- Mr. Werner shared that the DAA is awaiting the federal government to open in order to submit the next ATP grant application for the tower.
- Preparations for Duluth and St. Louis County Days are underway to support the state request as well.
- The Legislative Breakfast is coming up soon and is an opportunity to talk to legislatures about the tower project and reinforce the need to get the tower funding package completed and Ms. Baker will be representing the DAA at the breakfast.



DULUTH AIRPORT AUTHORITY

- Mr. Werner shared that TSA screeners and air traffic controllers have been partially paid, but coming up at the next payday, likely no pay. Reserve funds have been exhausted, and local representatives share that there have been no disruptions but that is subject to change and will update as that happens.
- The shutdown also affects various projects that are in progress regarding cash flow and payments that need to be made, as well as tower project components.

G. Presentations/Tours/Travel Recap:

- Mr. Werner shared that he presented to the Leadership Duluth and updated them with the airport and its current projects.
- Mr. Werner also shared that he recently attended the AAAE's National Airport Conference, which preceded the government shutdown and that topic was the main discussion of the conference.
- Mr. Werner also attended the AAAE Law Conference and was able to get regrounded in airport law perspective.
- Minnesota Electric Aviation Network: Mr. Werner shared that DLH scored very well in a MnDOT study to determine which airports are most prepared for electric aviation and DLH came in at number one. Score criteria included market demand and infrastructure capabilities. Mr. Werner shared that the DAA is interpreting what the findings mean and the DAA has established a local working group to examine future possibilities and Ms. Kayser will also be a part of that process. MnDOT aeronautics will also participate to talk about their study. MnDOT is also pursuing as a state to participate in a federal pilot program to develop advanced electric air mobility as well and has asked DLH to participate in that as well. Mr. Werner shared that MnDOT also participated in a similar program for drones about a dozen years ago, and that went pilot program went to North Dakota.

H. Other:

- Mr. Werner next introduced Mr. Barry Sinex to discuss airport minimum standards. Mr. Sinex shared his background in the industry; he went to aviation school and worked for FBO in 1979, over the period of time left and went to work in airline, ran successful FBO in Arkansas for ten years, then went to work for Mesa Airlines as Director of Quality Assurance. After that, Mr. Sinex went to Northwest Airlines and also wrote software. Mr. Sinex worked in the Northwest Airlines hangar at DLH for about a year and a half, and started writing software for their network, then he resigned and started Sinex Aviation Technologies. From there, Mr. Sinex worked in the tower building and then went downtown to the tech center. Mr. Sinex shared how he has patented software that's been used in the industry for the past 25 years. Mr. Sinex then left his aviation company and started Sinex Solutions. The company's software runs in marine, aviation agency, etc. Mr. Sinex shared his background to say that he's not bragging about his achievements, but with a long history of time here. Small pistons, singles, and twin engines. Mr. Sinex has owned a Cirrus aircraft since 2016. He's from the airport and his intentions here are to support and build a general aviation infrastructure. He's waiting for battery weights to come down to build an aircraft he's designed. Strategically there is a future to build the general aviation potential that is currently untapped. Mr. Sinex owns three airplanes, and his intent is to open an FBO. Opening the FBO and what it does and how it looks is wholly dependent on what the minimum standards are. What Mr. Sinex really wants to do is support general aviation, and the minimum standards generally will block that from happening. Mr. Sinex discussed shadow FBOs, which is a



DULUTH AIRPORT AUTHORITY

term to protect the incumbent FBO. Majority of flights per month come from Cirrus, school, etc. Mr. Sinex believes he is being blocked because the minimum standards are too onerous. There is currently a 30,000 square foot requirement, and the current FBO does not meet the minimum standards, and requirements for lobby area not met either for the general aviation public. Mr. Sinex would like the opportunity to compete and is looking for general aviation opportunities in the area and is not dissuaded in any way, not here to cause problems, has been an entrepreneur and businessman his whole life.

- Dir. Hoff asked what Mr. Sinex would be focused on in comparison to Vantage, regarding scope of services, and if it would be focused on servicing jets, or smaller aircraft, etc. Mr. Sinex said simply that his focus would be general aviation. He would like to design a facility specifically for general aviation. If he's required to meet minimum standards of providing jet fuel, he will contact the airlines to get partners and he has a history of working with them (when they bought his software), so he believes the airline partners will work with him to get this established-he just has to pick up a phone and call them. He'll go as far as he needs to, he doesn't necessarily want to (be in the jet fuel area), Vantage is doing a fine job, but competition is competition. Mr. Sinex shared that he's heard from several people at the airport that the minimum standards are created to benefit the incumbent FBO. The purpose of the minimum standards is to encourage entrance into the market and competition.
- Dir. O'Brien asked how many square feet Mr. Sinex would need to operate a general aviation facility. Mr. Sinex suggested 6,000-8,000 square feet.
- Mr. Werner asked if the business plan includes a revenue stream with fuel sales, and Mr. Sinex responded that he has plenty of money, not in it for generating revenue, but to cover expenses, etc. Mr. Werner asked if Mr. Sinex intends to offer some fuel purchase. Mr. Sinex added that no one is marketing general aviation.
- Dir. Henderson asked if the updated facility at Sky Harbor has the capability to meet any of what Mr. Sinex is looking for. Mr. Sinex stated that general aviation is different from what is going on at Sky Harbor.
- Dir. Hoff asked if there was a path forward to a general aviation FBO, would he be comfortable with some bookmarks for the scope of services provided and defined what the services would be and Mr. Sinex responded yes.

- Dir. Henderson thanked everyone for their reviews and moved to item II of the agenda.
- Dir. Johnson exited the meeting at 9:57 a.m. prior to voting on the agenda items and Dir. Henderson acknowledged her departure.

II. *APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS AS INDICATED BY *:

A. Approval of September 16, 2025, Meeting Minutes

- Dir. Henderson entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Hansen
 - Abstain: None
 - Result: This resolution was adopted unanimously.

III. *DAA CASH DISBURSEMENTS



DULUTH AIRPORT AUTHORITY

- A. Operating Check Registers #22-23, 2025; Operating ACH Payment Registers #24-26, 2025; Construction ACH Registers #11-12, 2025.

IV. *CORRESPONDENCE

- A. DLH Construction Newsletter
- September 19, 2025
 - September 26, 2025
 - October 3, 2025
- B. September 16, 2025. Letter to the DAA Board Regarding August 19 Meeting and RFI Process from Mr. Barry Sinex.
- C. October 7, 2025. Minnesota House Infrastructure Tour Stops in Proctor and Duluth. WDIO.
- D. October 7, 2025. Breeze Airways Eyes Fleet of 400 Aircraft. SimplyFlying.com.
- E. October 8, 2025. Howie: Duluth's Airport is Flunking its Own Report Card. Howie Hanson.com.
- F. October 13, 2025. Delta's Empty Flights Are Making Millions-Credit Card Math Now Decides Where Planes Fly. ViewFromtheWing.com.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

None.

VI. OLD BUSINESS

None.

VII. NEW BUSINESS

- A. Resolution to Accept and Approve the Hangar 103 State Contract 1061420 in and to Authorize the Duluth Airport Authority's President and Secretary to Execute the Contract and Any Amendments. Ms. Bodin shared that the resolution pertains to storm damage sustained to the hangar in February 2025 and a 60/40 grant issued by the state for repairs and reimbursement from the insurance company which has been received. This was brought in front of the board now since it wasn't part of the CIP for 2025.
- Dir. Henderson entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Hansen
 - Abstain: None.
 - Result: This resolution was adopted unanimously.
- B. Resolution to Approve an Agreement Between the Duluth Airport Authority and General Security Services Corporation (GSSC) for Professional Security Services. Mr. Welch shared that an RFP was issued on July 23rd, and submissions were due September 18th. The submissions were evaluated on October 6th, points totaled, and GSSC was selected as the top proposal. The panel was comprised of Mr. Welch, Ms. Bodin, Mr. Snell, and Director O'Brien.
- Dir. Henderson entertained questions or a motion.
 - Motion: Dir. Hoff
 - Second: Dir. O'Brien
 - Abstain: None.
 - Result: This resolution was adopted unanimously.



DULUTH AIRPORT AUTHORITY

- C. Amendment: The ATCT Single Phase Approach Includes Also Seeking Out Potential Opportunities to Reduce the Current Project Cost Gap.
- Dir. Henderson entertained questions or a motion.
 - Motion: Dir. Hansen
 - Second: Dir. Hoff
 - Abstain: None.
 - Result: This resolution was adopted unanimously.
- D. Resolution to Approve Moving Forward with a Single-Phase Construction of the New Air Traffic Control Tower Which Includes the Base Building and Tower in One Full Phase of Construction with Amendment: The ATCT Single Phase Approach Includes Also Seeking Out Potential Opportunities to Reduce the Current Project Cost Gap.
- Dir. Henderson entertained questions or a motion.
 - Motion: Dir. Hoff
 - Second: Dir. Crawford
 - Abstain: None.
 - Result: This resolution was adopted unanimously.
- E. *August 2025 Financial Reports
F. *October 2025 Accounts Receivable
G. *September 2025 Airline Statistics, Landline Statistic

VIII. DIRECTOR'S REPORTS

ADJOURN: The meeting was adjourned at 10:05 a.m.

Respectfully submitted,

Aimee Bone
Administrative Coordinator

Approved: **Tom Werner**
Digitally signed by Tom Werner
Date: 2025.11.10 15:03:36 -06'00'
DAA Executive Director